Exhibit No. ___ (KLE-4)
Docket No. UE-051090
Witness: Kenneth L. Elgin

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

IN THE MATTER OF THE JOINT APPLICATION OF MIDAMERICAN ENERGY HOLDING COMPANY AND PACIFICORP DBA PACIFIC POWER & LIGHT COMPANY FOR AN ORDER AUTHORIZING PROPOSED TRANSACTION

DOCKET NO. UE-051090

EXHIBIT TO TESTIMONY OF

Kenneth L. Elgin

STAFF OF WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

PacifiCorp and Subsidiaries Consolidated Balance Sheets

November 18, 2005

PACIFICORP AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

(Millions of dollars)

(Millions of donata)	March 31,				
ASSETS		2005		2004	
Current assets:					
Cash and cash equivalents	\$	199.3	\$	58.5	
Accounts receivable less allowance for doubtful accounts of					
\$11.6/2005 and \$23.3/2004		293.0		235.1	
Unbilled revenue		143.8		127.8	
Amounts due from affiliates		36.5		2.4	
Inventories at average costs:					
Materials and supplies		114.7		101.0	
Fuel		58.5		56.0	
Current derivative contract asset		252.7		118.9	
Current deferred tax asset		-		31.5	
Other		115.8		25.2	
Total current assets	<u>, — — — — — — — — — — — — — — — — — — —</u>	1,214.3		756.4	
Property, plant and equipment:		ı			
Generation		5,238.7		5,135.7	
Transmission		2,507.7		2,439.2	
Distribution		4,308.7	•	4,104.7	
Intangible plant		607.0		599.5	
Other		1,596.9		1,533.7	
Construction work-in-progress		593.4		345.4	
Total		14,852.4		14,158.2	
Accumulated depreciation and amortization		(5,361.8)		(5,121.7)	
Total property, plant and equipment - net		9,490.6		9,036.5	
Other assets:					
Regulatory assets		972.8		1,032.3	
Derivative contract regulatory asset		170.0		422.2	
Non-current derivative contract asset		360.3		110.3	
Deferred charges and other		312.9		319.4	
Total other assets	····	1,816.0		1,884.2	
Total assets	\$	12,520.9	\$	11,677.1	

The accompanying notes are an integral part of these consolidated financial statements.

PACIFICORP AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS, continued

(Millions of dollars)

LIABILITIES AND SHAREHOLDERS' EQUITY 2005 2004	(Millions of donats)		March 31,				
Accounts payable \$ 350.4 \$ 262.6 Amounts due to affiliates 3.9 2.6 Accrued employee expenses 131.3 131.5 Taxes payable 39.8 54.2 Interest payable 64.8 66.1 Current deferred tax liability 2.0 - Long-term debt and capital lease obligations, currently maturing 26.9 240.0 Preferred stock subject to mandatory redemption, currently maturing 3.7 3.7 Notes payable and commercial paper 468.8 124.9 Other 123.4 111.8 Total current liabilities 1,597.7 1,074.3 Deferred credits: 1,597.7 1,074.3 Deferred income taxes 1,629.0 1,564.6 Investment tax credits 75.6 83.5 Investment tax credits 75.6 83.5 Non-current derivative contract liability 630.5 567.1 Pension liability 630.5 567.1 Pension liability 3,00.2 3,50.2 Total deferred credits 3,629.0	LIABILITIES AND SHAREHOLDERS' EQUITY						
Amounts due to affiliates 3.9 2.6 Accrued employee expenses 134.3 131.3 Taxes payable 93.8 54.2 Interest payable 64.8 66.1 Current derivative contract liability 2.0 - Current deferred tax liability 26.9 240.0 Preferred stock subject to mandatory redemption, currently maturing 3.7 3.7 Notes payable and commercial paper 468.8 124.9 Other 123.4 111.8 Total current liabilities 1,629.0 1,64.6 Investment tax credits 1,629.0 1,64.6 Investment tax credits 806.0 807.5 Non-current derivative contract liability 630.5 567.1 Prescription liability 422.4 38.9 Other 304.8 284.7 Total deferred credits 3,868.3 3,706.3 Long-term derivative contract liability 43.2 38.9 Other 304.8 284.7 Total deferred credits 3,868.3 3,706.3 <th>Current liabilities:</th> <th></th> <th></th> <th></th> <th></th>	Current liabilities:						
Accrued employee expenses	Accounts payable	\$	350.4	\$	262.6		
Accrued employee expenses	Amounts due to affiliates		3.9		2.6		
Interest payable		•	134.3		131.5		
Current derivative contract liability 136.7 76.9 Current deferred tax liability 2.0 - Long-term debt and capital lease obligations, currently maturing 269.9 240.0 Preferred stock subject to mandatory redemption, currently maturing 3.7 3.7 Notes payable and commercial paper 468.8 124.9 Other 123.4 111.8 Total current liabilities 1,597.7 1,074.3 Deferred credits:	Taxes payable		39.8		54.2		
Current deferred tax liability 2.0 Long-term debt and capital lease obligations, currently maturing 269.9 240.0 Preferred stock subject to mandatory redemption, currently maturing 3.7 3.7 Notes payable and commercial paper 468.8 124.9 Other 123.4 111.8 Total current liabilities 1,597.7 1,074.3 Deferred credits: 1,529.0 1,564.6 Investment tax credits 75.6 83.5 Regulatory liabilities 806.0 807.5 Non-current derivative contract liability 630.5 567.1 Pension liability 630.5 567.1 Other 304.8 284.7 Total deferred credits 3,688.3 3,706.3 Long-term debt and capital lease obligations, net of current maturities 3,629.0 3,520.2 Preferred stock subject to mandatory redemption, net of current maturities 3,629.0 3,520.2 Total liabilities 9,143.8 8,357.1 Common equity: 2,894.1 2,894.1 2,894.1 Common shareholder's capital <	Interest payable		64.8		66.1		
Long-term debt and capital lease obligations, currently maturing 269.9 240.0 Preferred stock subject to mandatory redemption, currently maturing 3.7 3.7 Notes payable and commercial paper 468.8 124.9 Other 123.4 111.8 Total current liabilities 1,597.7 1,074.3 Deferred credits:	Current derivative contract liability		136.7		76.9		
Preferred stock subject to mandatory redemption, currently maturing 3.7 3.7 Notes payable and commercial paper 468.8 124.9 Other 123.4 111.8 Total current liabilities 1,597.7 1,074.3 Deferred credits: Deferred income taxes 1,629.0 1,564.6 Investment tax credits 75.6 83.5 Regulatory liabilities 806.0 807.5 Non-current derivative contract liability 630.5 567.1 Pension liability 422.4 398.9 Other 304.8 284.7 Total deferred credits 3,868.3 3,706.3 Long-term debt and capital lease obligations, net of current maturities 3,629.0 3,520.2 Preferred stock subject to mandatory redemption, net of current maturities 48.8 56.3 Total liabilities 9,143.8 8,357.1 Commitments, contingencies and guarantees (See Notes 10 and 11) Shareholders' equity: 41.3 41.3 Common equity: 2 2,894.1 2,892.1 2,892.1 Accumulated other comprehensive income (los	Current deferred tax liability		2.0				
Notes payable and commercial paper 468.8 124.9 111.8 123.4 111.8 123.4 111.8 123.4 111.8 123.4 111.8 123.4 111.8 123.4 111.8 123.4 11.99.7.7 1,074.3 129.4 123.4 111.8 129.0 129.0 1,564.6	Long-term debt and capital lease obligations, currently maturing		269.9		240.0		
Other 123.4 111.8 Total current liabilities 1,597.7 1,074.3 Deferred credits:	Preferred stock subject to mandatory redemption, currently maturing		3.7		3.7		
Total current liabilities 1,597.7 1,074.3 Deferred credits: 1,629.0 1,564.6 Investment tax credits 75.6 83.5 Regulatory liabilities 806.0 807.5 Non-current derivative contract liability 630.5 567.1 Pension liability 422.4 398.9 Other 304.8 284.7 Total deferred credits 3,668.3 3,706.3 Long-term debt and capital lease obligations, net of current maturities 3,629.0 3,520.2 Preferred stock subject to mandatory redemption, net of current maturities 48.8 56.3 Total liabilities 9,143.8 8,357.1 Commitments, contingencies and guarantees (See Notes 10 and 11) 5.60.2 5.60.2 Shareholders' equity: 2,894.1 2,894.1 2,892.1 Common shareholder's capital 2,894.1 2,892.1 2,892.1 Retained earnings 446.4 390.1 390.1 Accumulated other comprehensive income (loss): 2,894.1 4,5 Unrealized gain on available-for-sale securities, net of tax of \$2.6/2005 and \$2.7/2004<	Notes payable and commercial paper				124.9		
Deferred credits: Deferred income taxes 1,629.0 1,564.6 Investment tax credits 75.6 83.5 Regulatory liabilities 806.0 807.5 Non-current derivative contract liability 630.5 567.1 Pension liability 422.4 398.9 Other 304.8 284.7 Total deferred credits 3,868.3 3,706.3 Long-term debt and capital lease obligations, net of current maturities 3,629.0 3,520.2 Preferred stock subject to mandatory redemption, net of current maturities 48.8 56.3 Total liabilities 9,143.8 8,357.1 Commitments, contingencies and guarantees (See Notes 10 and 11) Shareholders' equity:	Other		123.4	<u> </u>	111.8		
Deferred income taxes	Total current liabilities		1,597.7		1,074.3		
Investment tax credits 75.6 83.5 Regulatory liabilities 806.0 807.5 Non-current derivative contract liability 630.5 567.1 Pension liability 422.4 398.9 Other 304.8 284.7 Total deferred credits 3,688.3 3,706.3 Long-term debt and capital lease obligations, net of current maturities 3,629.0 3,520.2 Preferred stock subject to mandatory redemption, net of current maturities 48.8 56.3 Total liabilities 9,143.8 8,357.1 Commitments, contingencies and guarantees (See Notes 10 and 11) 5.2 5.2 Shareholders' equity:	Deferred credits:			٠			
Regulatory liabilities 806.0 807.5 Non-current derivative contract liability 630.5 567.1 Pension liability 422.4 398.9 Other 304.8 284.7 Total deferred credits 3,868.3 3,706.3 Long-term debt and capital lease obligations, net of current maturities 3,629.0 3,520.2 Preferred stock subject to mandatory redemption, net of current maturities 48.8 56.3 Total liabilities 9,143.8 8,357.1 Commitments, contingencies and guarantees (See Notes 10 and 11) 56.3 56.3 Shareholders' equity: 2 41.3 41.3 Common equity: 2 2,894.1 2,892.1 Retained earnings 446.4 390.1 Accumulated other comprehensive income (loss): 44.3 4.5 Unrealized gain on available-for-sale securities, net of tax of \$2.6/2005 and \$2.7/2004 4.3 4.5 Minimum pension liability, net of tax of \$(5.5)/2005 and \$(4.9)/2004 (9.0) (8.0) Total common equity 3,335.8 3,278.7 Total shareholders' equity 3,	Deferred income taxes		1,629.0		1,564.6		
Non-current derivative contract liability 630.5 567.1 Pension liability 422.4 398.9 Other 304.8 284.7 Total deferred credits 3,868.3 3,706.3 Long-term debt and capital lease obligations, net of current maturities 3,629.0 3,520.2 Preferred stock subject to mandatory redemption, net of current maturities 48.8 56.3 Total liabilities 9,143.8 8,357.1 Commitments, contingencies and guarantees (See Notes 10 and 11) Shareholders' equity: Preferred stock 41.3 41.3 Common equity: 2,894.1 2,894.1 Common shareholder's capital 2,894.1 2,892.1 Retained earnings 446.4 390.1 Accumulated other comprehensive income (loss): Unrealized gain on available-for-sale securities, net of tax of \$2.6/2005 and \$2.7/2004 4.3 4.5 Minimum pension liability, net of tax of \$(5.5)/2005 and \$(4.9)/2004 (9.0) (8.0) Total common equity 3,335.8 3,278.7 Total shareholders' equity 3,337.1 3,320.0	Investment tax credits		75.6	•	83.5		
Pension liability 422.4 398.9 Other 304.8 284.7 Total deferred credits 3,868.3 3,706.3 Long-term debt and capital lease obligations, net of current maturities 3,629.0 3,520.2 Preferred stock subject to mandatory redemption, net of current maturities 48.8 56.3 Total liabilities 9,143.8 8,357.1 Commitments, contingencies and guarantees (See Notes 10 and 11) *** **Starcholders' equity:** Preferred stock 41.3 41.3 Common equity: *** Common shareholder's capital 2,894.1 2,892.1 Retained earnings 446.4 390.1 Accumulated other comprehensive income (loss): *** Unrealized gain on available-for-sale securities, net of tax of \$2.6/2005 and \$2.7/2004 4.3 4.5 Minimum pension liability, net of tax of \$(5.5)/2005 and \$(4.9)/2004 (9.0) (8.0) Total common equity 3,335.8 3,278.7 Total shareholders' equity 3,377.1 3,320.0	Regulatory liabilities		806.0		807.5		
Other 304.8 284.7 Total deferred credits 3,868.3 3,706.3 Long-term debt and capital lease obligations, net of current maturities 3,629.0 3,520.2 Preferred stock subject to mandatory redemption, net of current maturities 48.8 56.3 Total liabilities 9,143.8 8,357.1 Commitments, contingencies and guarantees (See Notes 10 and 11) Shareholders' equity: 41.3 41.3 Preferred stock 41.3 41.3 41.3 Common equity: 2,894.1 2,892.1 Retained earnings 446.4 390.1 Accumulated other comprehensive income (loss): Unrealized gain on available-for-sale securities, net of tax of \$2.6/2005 and \$2.7/2004 4.3 4.5 Minimum pension liability, net of tax of \$(5.5)/2005 and \$(4.9)/2004 (9.0) (8.0) Total common equity 3,335.8 3,278.7 Total shareholders' equity 3,337.1 3,320.0	Non-current derivative contract liability		630.5	•	567.1		
Total deferred credits 3,868.3 3,706.3 Long-term debt and capital lease obligations, net of current maturities 3,629.0 3,520.2 Preferred stock subject to mandatory redemption, net of current maturities 48.8 56.3 Total liabilities 9,143.8 8,357.1 Commitments, contingencies and guarantees (See Notes 10 and 11) Shareholders' equity: Preferred stock 41.3 41.3 Common equity: Common shareholder's capital 2,894.1 2,892.1 Retained earnings 446.4 390.1 Accumulated other comprehensive income (loss): Unrealized gain on available-for-sale securities, net of tax of \$2.6/2005 and \$2.7/2004 4.3 4.5 Minimum pension liability, net of tax of \$(5.5)/2005 and \$(4.9)/2004 (9.0) (8.0) Total common equity 3,335.8 3,278.7 Total shareholders' equity 3,337.1 3,320.0	Pension liability		422.4		398.9		
Long-term debt and capital lease obligations, net of current maturities 3,629.0 3,520.2 Preferred stock subject to mandatory redemption, net of current maturities 48.8 56.3 Total liabilities 9,143.8 8,357.1 Commitments, contingencies and guarantees (See Notes 10 and 11) Shareholders' equity:	Other		304.8		284.7		
Preferred stock subject to mandatory redemption, net of current maturities 48.8 56.3 Total liabilities 9,143.8 8,357.1 Commitments, contingencies and guarantees (See Notes 10 and 11) 41.3 41.3 Shareholders' equity: 41.3 41.3 41.3 Common equity: 2,894.1 2,892.1 Common shareholder's capital 2,894.1 390.1 Accumulated earnings 446.4 390.1 Accumulated other comprehensive income (loss): 446.4 390.1 Unrealized gain on available-for-sale securities, net of tax of \$2.6/2005 and \$2.7/2004 4.3 4.5 Minimum pension liability, net of tax of \$(5.5)/2005 and \$(4.9)/2004 (9.0) (8.0) Total common equity 3,335.8 3,278.7 Total shareholders' equity 3,377.1 3,320.0	Total deferred credits		3,868.3	·	3,706.3		
Total liabilities 9,143.8 8,357.1 Commitments, contingencies and guarantees (See Notes 10 and 11) Shareholders' equity: Preferred stock 41.3 41.3 41.3 41.3 42.892.1 Common equity: 2,894.1 2,892.1 Retained earnings 446.4 390.1 Accumulated other comprehensive income (loss): Unrealized gain on available-for-sale securities, net of tax of \$2.6/2005 and \$2.7/2004 4.3 4.5 Minimum pension liability, net of tax of \$(5.5)/2005 and \$(4.9)/2004 (9.0) (8.0) Total common equity 3,335.8 3,278.7 Total shareholders' equity 3,337.1 3,3320.0	Long-term debt and capital lease obligations, net of current maturities		3,629.0		3,520.2		
Commitments, contingencies and guarantees (See Notes 10 and 11) Shareholders' equity: Preferred stock	Preferred stock subject to mandatory redemption, net of current maturities	<u> </u>	48.8		56.3		
Shareholders' equity: 41.3 41.3 41.3 Preferred stock 41.3 41.3 41.3 Common equity: 2,894.1 2,892.1 Retained earnings 446.4 390.1 Accumulated other comprehensive income (loss): 446.4 390.1 Unrealized gain on available-for-sale securities, net of tax of \$2.6/2005 and \$2.7/2004 4.3 4.5 Minimum pension liability, net of tax of \$(5.5)/2005 and \$(4.9)/2004 (9.0) (8.0) Total common equity 3,335.8 3,278.7 Total shareholders' equity 3,377.1 3,320.0	Total liabilities		9,143.8		8,357.1		
Preferred stock 41.3 41.3 Common equity: 2,894.1 2,892.1 Common shareholder's capital 2,894.1 2,892.1 Retained earnings 446.4 390.1 Accumulated other comprehensive income (loss): Unrealized gain on available-for-sale securities, net of tax of \$2.6/2005 and \$2.7/2004 4.3 4.5 Minimum pension liability, net of tax of \$(5.5)/2005 and \$(4.9)/2004 (9.0) (8.0) Total common equity 3,335.8 3,278.7 Total shareholders' equity 3,377.1 3,320.0	Commitments, contingencies and guarantees (See Notes 10 and 11)						
Common equity: 2,894.1 2,892.1 Common shareholder's capital 2,894.1 2,892.1 Retained earnings 446.4 390.1 Accumulated other comprehensive income (loss): Unrealized gain on available-for-sale securities, net of tax of \$2.6/2005 and \$2.7/2004 4.3 4.5 Minimum pension liability, net of tax of \$(5.5)/2005 and \$(4.9)/2004 (9.0) (8.0) Total common equity 3,335.8 3,278.7 Total shareholders' equity 3,377.1 3,320.0	Shareholders' equity:		· -				
Common shareholder's capital 2,894.1 2,892.1 Retained earnings 446.4 390.1 Accumulated other comprehensive income (loss): Unrealized gain on available-for-sale securities, net of tax of \$2.6/2005 and \$2.7/2004 4.3 4.5 Minimum pension liability, net of tax of \$(5.5)/2005 and \$(4.9)/2004 (9.0) (8.0) Total common equity 3,335.8 3,278.7 Total shareholders' equity 3,377.1 3,320.0	Preferred stock		41.3		41.3		
Retained earnings 446.4 390.1 Accumulated other comprehensive income (loss): Unrealized gain on available-for-sale securities, net of tax of \$2.6/2005 and \$2.7/2004 4.3 4.5 Minimum pension liability, net of tax of \$(5.5)/2005 and \$(4.9)/2004 (9.0) (8.0) Total common equity 3,335.8 3,278.7 Total shareholders' equity 3,377.1 3,320.0	Common equity:						
Accumulated other comprehensive income (loss): Unrealized gain on available-for-sale 4.3 4.5 securities, net of tax of \$2.6/2005 and \$2.7/2004 (9.0) (8.0) Minimum pension liability, net of tax of \$(5.5)/2005 and \$(4.9)/2004 3,335.8 3,278.7 Total common equity 3,377.1 3,320.0	Common shareholder's capital		2,894.1		2,892.1		
Unrealized gain on available-for-sale securities, net of tax of \$2.6/2005 and \$2.7/2004 4.3 4.5 Minimum pension liability, net of tax of \$(5.5)/2005 and \$(4.9)/2004 (9.0) (8.0) Total common equity 3,335.8 3,278.7 Total shareholders' equity 3,377.1 3,320.0	Retained earnings		446.4		390.1		
securities, net of tax of \$2.6/2005 and \$2.7/2004 4.3 4.5 Minimum pension liability, net of tax of \$(5.5)/2005 and \$(4.9)/2004 (9.0) (8.0) Total common equity 3,335.8 3,278.7 Total shareholders' equity 3,377.1 3,320.0							
Minimum pension liability, net of tax of \$(5.5)/2005 and \$(4.9)/2004 (9.0) (8.0) Total common equity 3,335.8 3,278.7 Total shareholders' equity 3,377.1 3,320.0		-					
Total common equity 3,335.8 3,278.7 Total shareholders' equity 3,377.1 3,320.0							
Total shareholders' equity 3,377.1 3,320.0	Minimum pension liability, net of tax of \$(5.5)/2005 and \$(4.9)/2004		(9.0)		(8.0)		
	Total common equity	. <u> </u>	3,335.8		3,278.7		
Total liabilities and shareholders' equity \$ 12,520.9 \$ 11,677.1	Total shareholders' equity		3,377.1	<u> </u>	3,320.0		
	Total liabilities and shareholders' equity		12,520.9	\$	11,677.1		

The accompanying notes are an integral part of these consolidated financial statements.

PACIFICORP AND SUBSIDIARIES STATEMENTS OF CONSOLIDATED INCOME

(Millions of dollars)	Yea	Years Ended March 31,					
	2005	2004	2003				
Revenues:			-				
Residential	\$ 1,004.6	\$ 994.5	\$ 914.7				
Commercial	833.1	792.9	763.4				
Industrial	774.8	725.6	699.2				
Other retail	36.3	34.0	31.4				
Wholesale sales and other	400.0	647.5	673.7				
Total	3,048.8	3,194.5	3,082.4				
Operating expenses:	•						
Purchased electricity	448.0	672.8	698.5				
Fuel	500.0	483.9	482.2				
Operations and maintenance	913.1	895.8	885.1				
Depreciation and amortization	436.9	428.8	434.3				
Taxes, other than income taxes	94.4	95.3	93.4				
Total	2,392.4	2,576.6	2,593.5				
Income from operations	656.4	617.9	488.9				
Interest expense and other (income) expense:							
Interest expense	267.4	256.5	270.3				
Interest income	(9.1)	(13.8)	(21.6)				
Interest capitalized	(14.8)	(19.9)	(18.0)				
Minority interest and other	(7.3)	1.6	19.0				
Total	236.2	224.4	249.7				
Income from operations before income tax expense							
and cumulative effect of accounting change	420.2	393.5	239.2				
Income tax expense	168.5	144.5	97.2				
Income before cumulative effect of accounting change	251.7	249.0	142.0				
Cumulative effect of accounting change (less applicable income tax benefit of \$(0.6)/2004 and \$(1.1)/2003		(0.9)	(1.9)				
Net income	251.7	248.1	140.1				
Preferred dividend requirement	(2.1)	(3.3)	(7.3)				
Earnings on common stock	\$ 249.6	\$ 244.8	\$ 132.8				

The accompanying notes are an integral part of these consolidated financial statements.